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HUB LAW OFFICES

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA

10 FOR THE COUNTY OF MARIN

11
12 CHURCH OF SCIENTOLOGY)
13 INTERNATIONAL, a California not-)
for-profit religious corporation,)

14 Plaintiff,)

15 vs.)

16 GERALD ARMSTRONG; MICHAEL WALTON;)
17 THE GERALD ARMSTRONG CORPORATION, a)
California for-profit corporation;)
18 DOES 1 through 100, inclusive,)

19 Defendants.)
20

CASE NO. 157680

PLAINTIFF'S MEMORANDUM OF
POINTS AND AUTHORITIES IN
OPPOSITION TO ARMSTRONG'S
MOTION FOR STAY PENDING
COORDINATION PROCEEDINGS

Date: November 12, 1993
Time: 9:00 a.m.
Dept: 1
Trial Date: None

21 As more fully set forth in Plaintiff's Opposition to the Motion
22 to Commence Coordination Proceedings concurrently filed with this
23 Motion, the issue of coordination is premature. Moving parties
24 Gerald Armstrong and The Armstrong Corporation (collectively,
25 "Armstrong") apparently base their motion to stay on the following
26 two grounds: Plaintiff Church of Scientology International
27 ("Plaintiff") seeks discovery precluded in two Los Angeles cases and
28 that the Los Angeles Court has stayed the actions in their courts.

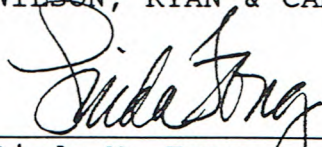
1 First, Armstrong II and III involve different questions of fact
2 and law. It does not logically follow that because discovery is
3 stayed in the Los Angeles cases, actions which entirely separate
4 from this action, that discovery should not proceed in any relevant
5 areas. Moreover, the fact that the Los Angeles courts have stayed
6 litigation in the breach of contract case is not dispositive of
7 whether this fraudulent conveyance action should be stayed.

8 Time is of the essence in fraudulent conveyance actions. If
9 there is delay in the discovery process, Plaintiff will be substan-
10 tially prejudiced. Tracing is an important part of such an action
11 and if Armstrong is allowed to stay this proceeding, his is, in
12 effect, allowed to buy time within which to transfer other assets
13 and hide other assets during that time. On the other hand, if
14 discovery goes forward on a timely basis, Plaintiff has the right to
15 seek restraining orders based upon information it marshalled during
16 the discovery process. If it is not allowed to proceed, its ability
17 to trace any transfers and restrain them is unfairly hindered to
18 Armstrong's substantial advantage.

19 For the foregoing reasons, and for those stated in the
20 companion opposition to the motion to commence coordination
21 proceedings, Plaintiff respectfully requests that the motion for
22 stay be denied.

23 Dated: 11-5, 1993

WILSON, RYAN & CAMPILONGO

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25 
26 Linda M. Fong
27 Attorneys for Plaintiff CHURCH OF
28 SCIENTOLOGY INTERNATIONAL